Huntington Beach
Senior Center in Central Park

City Council Study Session
December 16, 2013

Background

- Council Approved budget to complete plans and specifications per approved design
- Identified as Strategic Objective at August 2 Strategic Planning Retreat to provide updated cost estimates and financing options at December 16, 2013 Study Session
- Council approved contract with design consultants to complete plans and specifications – July 1, 2013

Current Status

- **Entitlement Approval Complete**
  - **Conditional Use Permit No. 07-039 (R)**
  - **SEIR No. 07-002**
  - **General Plan Amendment No. 11-004**
  - **Completion of Construction Documents in process**
  - **Constructability Review**
  - **Construction Cost Estimate Updated**

Key Issues

- **Finalize Construction Documents and Cost Estimates**
- **Legal Challenges**
  - **Next court date is scheduled for February 2014**
  - **City Attorney does not anticipate resolution before Fall of 2014**
- **Determine Funding Options**

Cost Estimates to Date:

Soft Costs	
▪ Additional A&E; Testing/Inspection	$500,000
▪ Construction Management	$650,000
Sub-Total:	**$1,150,000**
Direct Costs	
▪ Building & On-Site Construction	$16,000,000
▪ Off-Site Construction	$700,000
▪ FF&E	$500,000
Sub-Total:	**$17,200,000**
▪ Contingencies	**$2,800,000**
Project Total	**$21,150,000**

Project Schedule*

➢ Completion of Construction Documents	March 10, 2014
➢ Public Works Commision Review	April 16, 2014
➢ Bid Period	April 21 – June 13, 2014
➢ Bid Opening/Review & Contract Preparation	June 16 – July 11, 2014
➢ Council Award of Construction Contract	August 4, 2014
➢ Construction Period	August 2014 – Feb. 2016

*Based upon secured funding source

Senior Center Financing Options

- Construction costs are currently estimated at approximately $21.5 million
- The Fiscal Year 2013/14 Adopted Budget included an appropriation of $1.5 million in the Infrastructure Fund for initial start-up funding
- Additional funding sources need to be identified to address the remaining funding gap of $19.5 million

Potential Bond Issue

- **Debt financing paid from the General Fund can be a viable option for all or a portion of total costs**
  - **Debt is similar to existing lease revenue bonds issued for other facilities (e.g. City Hall and Sports Complex)**
  - **Bonds sold today would be tax-exempt, and payable in equal installments over 30 years**
  - **For example, for a $15 million bond, annual debt service payments would equal approximately $1.2 million**
  - **However, $4.5 million in funding would still need to be identified**

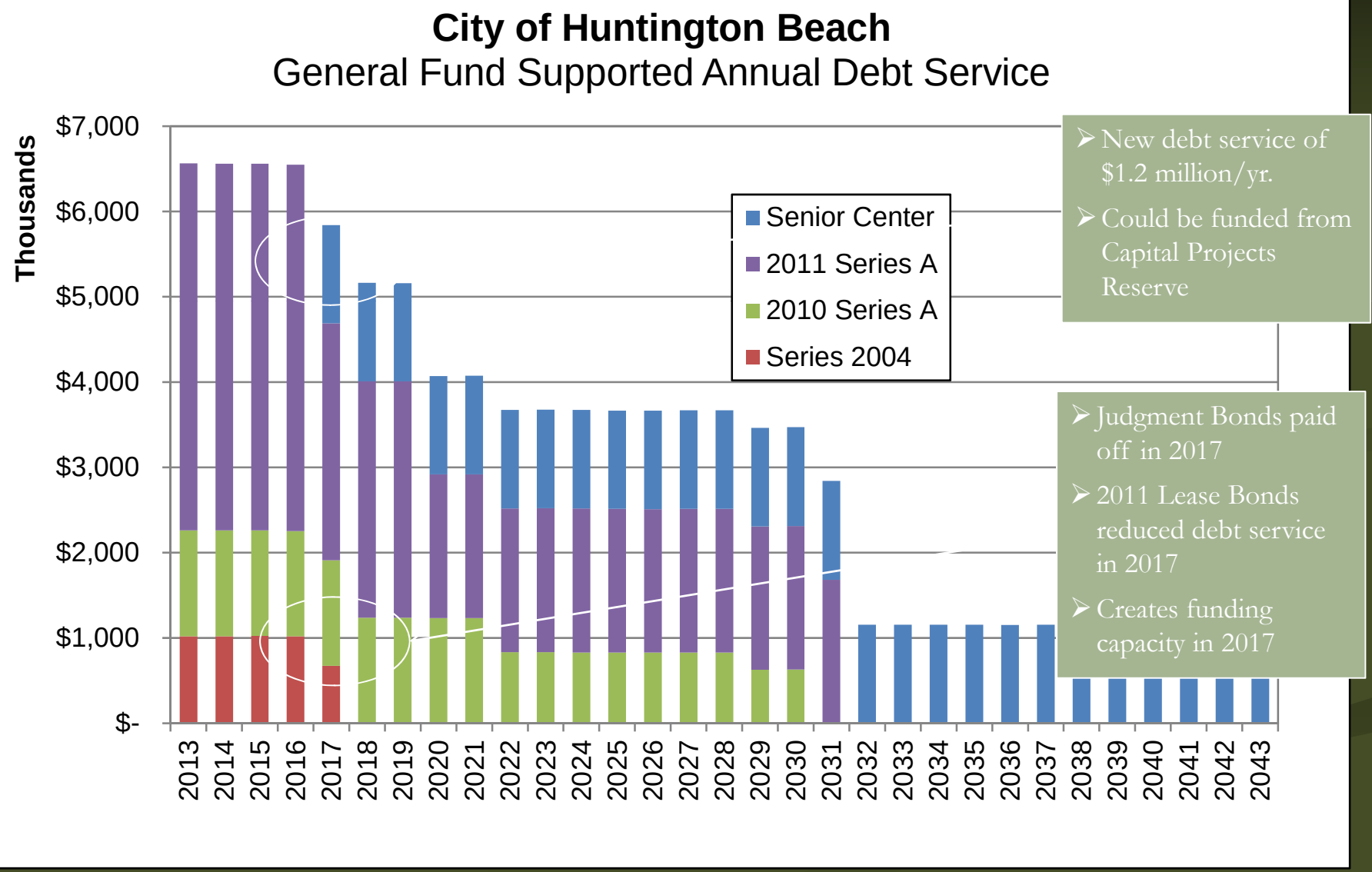
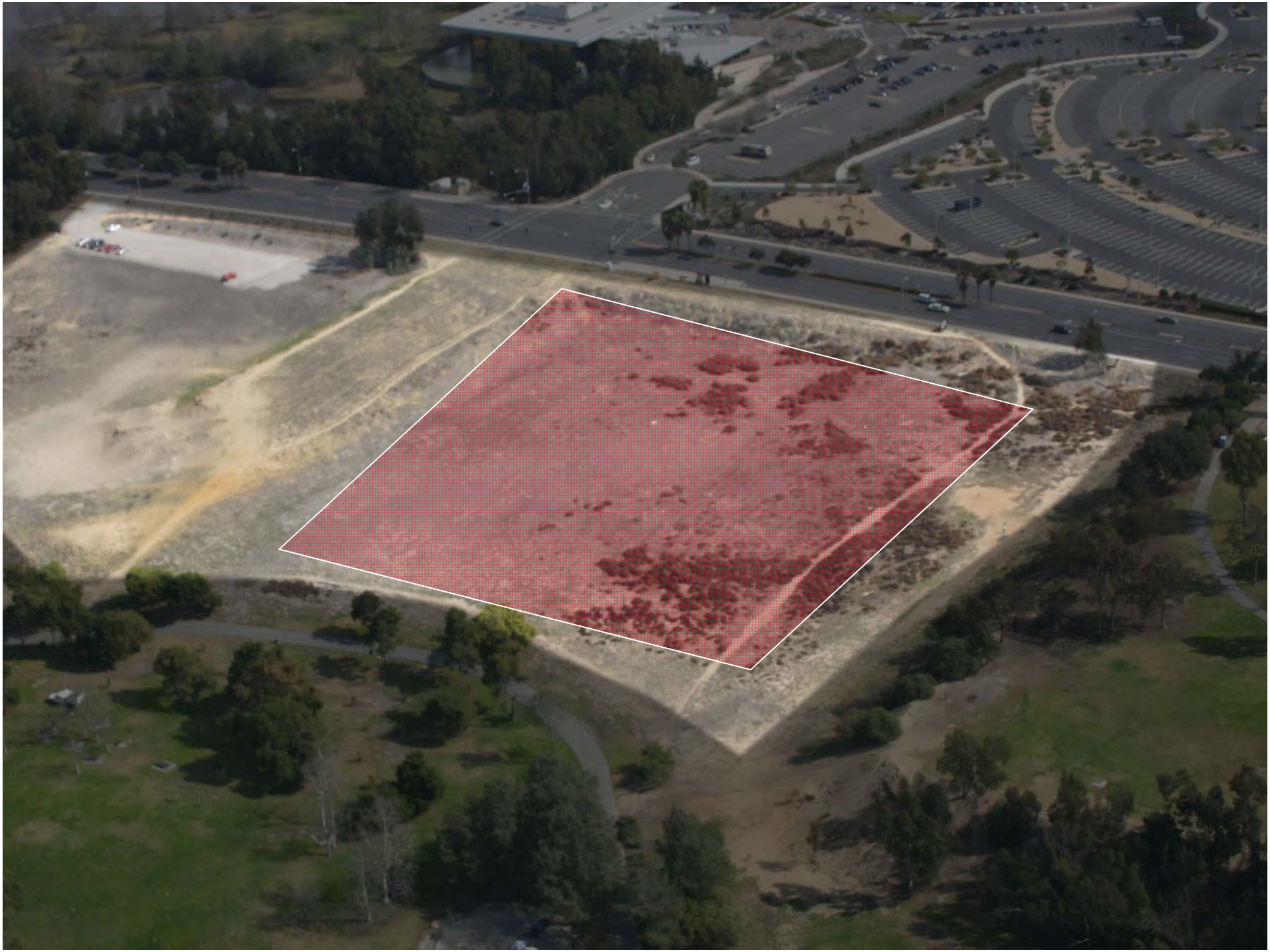
Other Potential Sources of Funding

- **To address the remaining $4.5 million funding gap, the following funding sources may be an option:**
  - **Capital Improvement Reserve ($5.9 million current unencumbered balance)**
  - **Park Acquisition and Development Fund**
  - **Senior Center Capital Campaign Initiative**
  - **Fiscal Year 2012/13 General Fund Year-End Balances**

Local Funding Opportunities

- **Private Donations:**
  - **HOAG Hospital – Supported the OASIS Senior Center in Newport Beach**
  - **Local Area Hospitals – HBCOA members have expressed their interest in supporting the project**
  - **Grass Roots Fundraising – Led by the HBCOA and other community partners**
  - **Increased potential for fee generation when a new center is operating**

Existing 30-Year Debt Service Schedule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